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11 JUN 1960

MEMORANDEM FOR: Deputy Director (Plans)

SUBJECT

: Project CHALICE

Security Assessment, Revision

- 1. The purpose of this memorandum is to revise paragraph 5 of CHAL-0902-60, "Project CHALICE Security Assessment" dated 11 May 1960, which paragraph enumerated those matters which should continue to be classified CHALICE. Paragraph 3 of this memorandum contains a recommendation for your approval.
- 2. The following items represent a change of posture as regards the security of Project CHALICE:
 - a. Subparagraph 5k of CHAL-0982-60 recommended that utilization of the J-75 engine in the U-2 siroraft be classified CHALICE. By virtue of the Soviets public display of the J-75 engine in Moscow, this requirement is no longer valid.
 - b. Subparagraph 5g of CHAL-0982-60 recommended that "all CHALICH intelligence collection systems and the identities of mammfacturers of these items; in particular our Rochester processing facility," remain classified CHALICE. Subsequent happenings have proven without a doubt that the Soviets possess the intelligence collection and aircraft protection systems involved in the 1 May 1960 overflight (B configuration exacts, tracker, Systems 6 and 8 and Granger black box) in suitable condition to permit almost complete exploitation. It is inconsistent, therefore, to deny widespread utilization of this hardware (which in many instances represents significant advancement in the state-of-the-art) to the United States defense consumity.

These items were originally classified CHALICE because their development was by CIA in conjunction with the U-2 program and because, in varying degrees, they were indicative of the mission. Through Project intervention, some of the hardware has been utilized in one form or another by other Department of Defense consumers; therefore, in those cases, the concepts, with suitable demonstration models and performance substantiating data, may be marketed at will by the supplier without revealing their association with the U-2 program. However, in some instances, particularly in the case of the B configuration camera, this has not been possible to date.

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It is believed that the U. S. defense community would benefit from the declassification of all hardware involved in the 1 May 1960 overflight from "CHALICE" to "SECRET," with contractual procedures, mechanisms and relationships to the U-2 program remaining "CHALICE."

This would permit the supplier to exhibit under the classification of SECRET the actual hardware, along with performance
test data collected within the United States. They would not
be permitted to reveal details of the contract. They would be
permitted to state only that it was developed under a special
contract with the Agency with details of the contract and relationships with other suppliers being withheld. It is realized
that this procedure may in some cases imply affiliation with
the U-2 program; however, it would have the advantage of protecting development and contractual methods which are applicable
to future programs.

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- d. Subparagraph 51 of CHAL-0932-60 recommended that the photographic capability of the SAC 5-2 unit at Del Rio remain classified CHALICE. This requires the maintenance of an elaborate FOG procurement mechanism at Wright-Patterson AFB in addition to a requirement that a substantial number of participants in the SAC program be cleared BUE DATE by the Air Force and CHALICE by the Agency. The intelligence recommissumes capability of the U-2 aircraft has been compromised. There is no substantial advantage to the maintenance of this capability as CHALICE classified.
- 3. It is recommended, therefore, that the following represent a statement of those matters which continue to be classified CHALICE:
 - a. All future CHALICE activity.

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- c. Extent of past CHALICE activity (with the provision that the ARC may, in those instances where it serves the best interests of the U.S. defense community, release certain product information in a manner so as not to divulge complete details of the U.S. intelligence communities substantive exploitation of the CHALICE mission).
- d. United States Air Force participation in Project CHALICE including pilot recruitment procedures, reinstantant rights, SAC training and material support.

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- hackstopping procedures, in addition to the interrelationships of CRALICE suppliers (to include the processing facility at Eastman-Kodak). Actual CHALICE intelligence collection hardware is downgraded from CHALICE to SECRET to permit full exploitation of technical advances by the U.S. defense community.
- h. Intra-United States Government relationships in Project CHALICE activities.
 - 1. All details concerning CHALICE operational concepts.
- j. Performance characteristics of the U-2 sireraft are downgraded from CHALICE to SECRET.

STABLEY W. BEERLI Colonel, USAF Acting Chief, DPD-DD/P

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Dete SMEPFIELD EDWARDS Director of Security 15 111 1960 25X1A Chief, CI Staff, DD/F Recommendations in Paragraph 3 are APPROVED: A P = 125H RICHARD M. BISSELL, JR. Deputy Director (Plans) Date 25X1A (2 July 1960) Distribution: 1 - SO, DPD-DD/P 2 - DD/P3 - Dir. of Sec. 4 - AC/DPD-DD P 5 - C/CI Staff (A)- 20, DFD-DD/P

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